



SENT TO COUNCIL:

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City Manager's Office

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Leslye Corsiglia

**SUBJECT: SETTING PRIORITIES FOR
COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG) FUNDS**

DATE: November 17, 2011

Approved

Date

11-17-11

INFORMATION

BACKGROUND

In the Mayor's June Budget message, staff was directed to review the Community Development Block Grant (CDBG) Program and evaluate how the limited CDBG funds can best be directed to City priorities in accordance with federal requirements.

To address this issue, the Housing Department has undertaken the following steps to date:

- In August, there were four community meetings seeking feedback from a variety of stakeholders on what the priorities should be for using CDBG funds in the 2012-13 Fiscal Year.
- In September, there were reports to both the Neighborhood Services and Education Committee and the Public Safety, Finance and Strategic Support Committee that outlined the uses eligible for CDBG funds under federal regulations, how the program has been administered by the Housing Department, and the possibility that funding for the program will be reduced at the federal level. Each Committee was asked to discuss ideas for how the use of CDBG funds should be prioritized in coming years.
- In October, a report similar to ones sent to the Council Committees was presented to the Housing and Community Development Advisory Commission (HCDAC).

At the Committee and Commission meetings, the consideration of the issue generated additional comments, ideas and suggestions from the public.

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ANALYSIS

As each of the two Council Committees ended its discussion of this matter, staff indicated that action recommendations would be brought back to both Committees. However, having reviewed again the direction in the Mayor's June Budget message and after holding internal discussions within the City Administration, staff has determined that the best way of approaching this issue is to go directly to the full City Council with a recommended course of action after having sought the input and advice of the HCDAC. The staff's recommendation will be based on the input from the public, the two Council Committees and the HCDAC, together with extensive internal discussions within the City Administration on how to align those inputs with existing City priorities.

We anticipate presenting the Administration's recommendation to the HCDAC the first week in December and then to the City Council in December. Staff will provide the public with ample notice of the dates and times that the matter will be considered as well as copies of the Housing Department's recommendations.

In previous staff reports on this matter, it was noted that the CDBG program may well face funding cuts starting next fiscal year as part of efforts to reduce the federal government's budget deficit. Nonetheless, City Council action will still be needed on setting priorities so that the process of allocating whatever level of CDBG resources the City does receive from the federal government can be incorporated into the City's 2012-13 Consolidated Annual Action Plan (ConPlan), which must be submitted to the U.S. Department of Housing and Urban Development by May 15, 2012.

/s/

LESLYE CORSIGLIA

Director of Housing

For questions, please contact Leslye Corsiglia, Director of Housing, at 408-535-3851